

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

BINNEY & SMITH, and	:	CIVIL ACTION
BINNEY & SMITH PROPERTIES, INC.	:	
	:	
v.	:	
	:	
ROSE ART INDUSTRIES	:	NO. 00-2939

**MEMORANDUM AND ORDER**

HUTTON, J.

August 9, 2001

Presently before this Court are Plaintiffs' Renewed Motion for a Preliminary Injunction (Docket No. 37), Plaintiffs' Motion for a Preliminary Injunction (Docket No. 3) and Memorandum of Law in Support of Plaintiffs' Motion for a Preliminary Injunction, Defendant's Brief in Opposition (Docket No. 9), Plaintiffs' Reply Memorandum in Support of Plaintiffs' Motion for a Preliminary Injunction (Docket No. 10) and the arguments of counsel heard at a hearing held on February 9, 2001. For the reasons set forth below, the Motion is **GRANTED**.

**I. FACTS AND PROCEDURAL BACKGROUND**

Binney & Smith Inc. and Binney & Smith Properties, Inc. ("Plaintiffs") are the makers of products under the name Crayola. When Crayola crayons were first produced in 1903, they were packaged in a green and yellow box. Since that time, Plaintiffs have continuously used the green and yellow color combination for the packaging of virtually all Crayola products. Approximately

fifty years ago, Plaintiffs settled on the use of a green chevron laid over a yellow background (the Crayola "mark" or "color scheme"). See ex. A (example of Crayola's color scheme). This design is still used today by Plaintiffs. Plaintiffs have eleven registered trademarks for this green and yellow design.<sup>1</sup>

On June 9, 2000, Plaintiffs filed a motion for preliminary injunction against Rose Art Industries, Inc. ("Defendant") pursuant to Rule 65 of the Federal Rules of Civil Procedure. Plaintiffs are seeking a preliminary injunction against Defendant based on alleged trademark infringement, dilution of their trademark and trade dress infringement. In particular, Plaintiffs seek to preliminarily enjoin Defendant from shipping, selling, advertising or promoting marker products in packaging using the green and yellow color combination and to enjoin Defendant from shipping, selling, advertising or promoting marker products in any other packaging that dilutes or is likely to cause confusion with Plaintiffs' use of the green and yellow color combination on the packaging of its Crayola markers, crayons or related products.

Plaintiffs allege that Defendant seeks to capitalize on the fame and recognition of Plaintiffs' mark by launching a line of children's markers in packaging that blatantly copies the Crayola

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<sup>1</sup> Plaintiffs list two registered trademarks in their Motion. They are:  
(1) Registration No. 1,252,617, issued by the U.S. PTO on October 4, 1983, for the chevron design, including the green and yellow colors, on chalk, crayons and numerous other products;  
(2) Registration No. 1,924,580, issued by the U.S. PTO on October 3, 1995, for the green and yellow chevron in connection with the sale of markers.

green and yellow color scheme. Furthermore, Defendant's use of the Crayola green and yellow color scheme constitutes a direct misappropriation of the reputation and goodwill associated with Plaintiffs' famous trademark and trade dress. As a result of Defendant's alleged acts, Plaintiffs ask this Court to grant a preliminary injunction.

On December 20, 2000, this Court denied with leave to renew by supplemental submission or by oral argument Plaintiffs' Motion. See Court's Memo. and Order of December 20, 2000. On December 29, 2000, Plaintiffs requested oral argument. See Pls.['] Letter dated Dec. 29, 2000 (Docket No. 37). On February 9, 2001, the Court held a hearing at which Plaintiffs renewed their Motion and presented argument in favor of their Motion. Defendant also argued on behalf of its position, namely that there is no basis for a preliminary injunction.

At the hearing, the Court learned that Defendant had withdrew from commerce, one of the alleged offending packages. See Def.['s] Letter dated Jan. 12, 2001; ex. B (example of the withdrawn package). To the extent that Plaintiffs' Motion sought to enjoin Defendant's use of those packages, the Motion is denied as moot. See T. at 20-21. Plaintiffs, however, allege other packaging, referred to as "ColorGear," remains in commerce. Plaintiffs also seek to enjoin Defendant from using that package. See Def.['s] Package, ex. C (example of "ColorGear" packages). The issue that

this instant Motion resolves is whether under the standard for obtaining a preliminary injunction, did Defendant's "ColorGear" packaging, as depicted in exhibit C, infringes or dilutes, Plaintiffs' mark.

## **II. STANDARD OF REVIEW**

The grant of injunctive relief "is an 'extraordinary remedy, which should be granted only in limited circumstances.'" See *Instant Air Freight Co. v. C.F. Air Freight, Inc.*, 882 F.2d 797 (3d Cir. 1989). The Court must carefully weigh four factors in deciding whether to issue a preliminary injunction: "(1) whether the movant has shown a reasonable probability of success on the merits; (2) whether the movant will be irreparably injured by denial of the relief; (3) whether granting preliminary relief will result in even greater harm to the nonmoving party; and (4) whether granting the preliminary relief will be in the public interest." See *Allegheny Energy, Inc., v. DQE, Inc.*, 171 F.3d 153, 158 (3d Cir. 1999). Nevertheless, if the Court finds that "either or both of the fundamental preliminary injunction requirements - a likelihood of success on the merits and the probability of irreparable harm if relief is not granted - to be absent," the Court cannot issue an injunction. See *McKeesport Hosp. v. Accreditation Council for Graduate Medical Educ.*, 24 F.3d 519, 523 (3d Cir. 1994). For a movant to prove irreparable harm, it must demonstrate "potential harm which cannot be redressed by a legal or

an equitable remedy following trial." See *Instant Air Freight*, 882 F.2d at 801. "Mere injuries, however substantial, in terms of money, time and energy necessarily expended in the absence of a stay are not enough. The possibility that adequate compensatory or other corrective relief will be available at a later date, in the ordinary course of litigation, weighs heavily against a claim of irreparable harm." *Id.* Thus, an injury warranting a preliminary injunction must "be of a peculiar nature, so that compensation in money cannot atone for it . . . ." See *Acierno v. New Castle County*, 40 F.3d 645, 653 (3d Cir. 1994). Further, the irreparable injury claimed by the movant cannot be speculative or remote. "[M]ore than a risk of irreparable harm must be demonstrated." *Id.* at 655.

### **III. SUBSTANTIAL LIKELIHOOD OF SUCCESS ON THE MERITS**

The Federal Trademark Dilution Act ("FTDA") of 1995 provides:

The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection.

15 U.S.C. § 1125(c)(1).

The federal cause of action for trademark dilution grants extra protection to strong, well-recognized marks even in the absence of a likelihood of consumer confusion, the classical test

for trademark infringement, if the defendant's use diminishes or dilutes the strong identification value associated with the plaintiff's famous mark. 4 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:70 (4th ed. 1997). The dilution doctrine is founded upon the premise that a gradual attenuation of the value of a famous trademark, resulting from another's unauthorized use, constitutes an invasion of the senior user's property rights in its mark and gives rise to an independent commercial tort for trademark dilution. *Id.*

To establish a *prima facie* claim for relief under the FTDA, the plaintiff must plead and prove:

1. The plaintiff is the owner of a mark that qualifies as a "famous" mark in light of the totality of the eight factors listed in § 1125(c)(1),
2. The defendant is making commercial use in interstate commerce of a mark or trade name,
3. Defendant's use began after the plaintiff's mark became famous, and
4. Defendant's use causes dilution by lessening the capacity of the plaintiff's mark to identify and distinguish goods or services.

See *Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, 212 F.2d 157, 163 (3d Cir. 2000); 4 MCCARTHY, *supra*, § 24:89; see also *Hershey Foods Corp. v. Mars, Inc.*, 998 F.Supp. 500, 504 (M.D. Pa. Mar. 31, 1998). An analysis of these elements demonstrates that it is reasonably probable that Plaintiffs are likely to prevail on their dilution claim.

**A. Are Plaintiffs the Owners of a "famous" mark?**

The Crayola color scheme qualifies as a famous mark under the factors specified in subsection (1) of the FTDA, 15 U.S.C. § 1125(c)(1)(A)-(H). The first factor, the degree of inherent or acquired distinctiveness of the mark, weighs in favor of a finding that Crayola's mark is famous. This is evidenced by the market research surveys<sup>2</sup> and national recognition of the packaging. See Aff. of David E. Hall, ¶¶ 7, 14. The Crayola mark has acquired virtually universal recognition among consumers in this county. A recent survey conducted for Plaintiffs found that 92% of mothers of children aged 2-12, who are the primary purchasers of children's art products, think of the Crayola mark without prompting when asked to name a brand of crayons. See id. ¶ 7, ex. A. The same survey found that 80% think of the Crayola mark with without prompting when asked to name a brand of markers. See id. In addition, 84% view Crayola as a high quality brand. See id. Crayola crayons and markers ranked number two in terms of overall

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<sup>2</sup> Defendant claims that Plaintiffs rely on several surveys that must be disregarded because there is no evidentiary basis for their admission into the record. See Def.[s] Brief in Opposition, at 23. Defendant contends that Plaintiffs' surveys have not been conducted in accordance with generally accepted survey principles and their results are not used in a statistically correct way. See id. Plaintiffs assert that their surveys were performed by an outside firm in the ordinary course of their business, none of which were conducted for the purposes of litigation. Based on these representations, the Court finds that the surveys have the circumstantial guarantees of trustworthiness. See *Pittsburgh Press Club v. U.S.*, 579 F.2d 751 (3d Cir. 1978). To the extent that the surveys suffer from technical deficiencies in survey methodology, such deficiencies should go to the survey's weight, not its admissibility. 5 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:169 (2000). Thus, the Court considers Plaintiffs survey in resolving this Motion.

quality among a broad range of well known brands measured in a 1999 nationwide survey of consumers. See *id.* Also, in a 1987 market research survey that asked mothers to draw a Crayola package from memory, all 450 mothers surveyed drew a green and yellow box. See *id.* ¶ 14, ex. N.

Crayola packaging has also gained a national recognition. In 1998, the Smithsonian Institute added the green and yellow Crayola 64-count box as well as other Crayola products, to its permanent collection. See *id.* ¶ 15. An article appearing in Smithsonian Magazine in November 1999 notes that, at the celebration in which the Crayola box was given to the Smithsonian, "reporters waxed nostalgic over the box with its classic green and yellow chevrons. See *id.* ex. O. Further, in 1998 the United States Postal Service honored the original green and yellow Crayola box with its own 32-cent stamp as part of a series of stamps designed to salute the most memorable people, places, events and trends of the 20<sup>th</sup> Century. See *id.* ¶ 16. Based on these facts, the Court finds that Crayola's green and yellow chevron has acquired distinctiveness.

The second factor, the duration and extent of use of the mark, also weighs in favor of a finding that Crayola's mark is famous. Green and yellow have been used on Crayola products since the first box of crayons was put on the market in 1903. Also, the Crayola color scheme has been used on Crayola products for more than fifty years. See *id.* ¶ 9.



The third factor, the duration and extent of advertising and publicity, weighs in favor of a finding that Crayola's mark is famous because over the past five years, Plaintiffs have spent nearly \$200 million in advertising Crayola products, nearly all of which bear the Crayola color scheme. Similarly, Plaintiffs have continuously produced product catalogs portraying products with the Crayola color scheme for at least the past forty years. See id. ¶¶ 6, 11.

Plaintiffs point to evidence under the fourth and fifth factors that weighs in favor of a finding that Crayola's mark is famous. The geographical area in which the mark is used is worldwide. See id. ¶ 6. The channels of trade for the goods consist of a wide range of retail outlets, including food, drug and mass merchandise, stationary and toy stores throughout the country. Moreover, Crayola products are not specialty products, rather they are widely purchased for and used by children between the ages of 3 and 12.

The sixth factor, the degree of recognition of the mark, weighs in favor of a finding that Crayola's mark is famous as evidenced by the Postal Service's issuance of a commemorative stamp in honor of the original green and yellow Crayola box.

Plaintiffs assert that the seventh factor, the use of the same or similar mark by third parties, weighs in their favor because no other manufacturer uses a green and yellow color scheme to package children's crayons, markers or related products. Although

Defendant argues that other companies use a green and yellow color scheme, Plaintiffs explain that these products are no longer marketed and when they were on the market, their sales were limited. See T. at 28. For example, Defendant notes that it has used the green and yellow packaging for classic markers in the past. See Affidavit of Lawrence Rosen, ¶ 7. The record, however, indicates that the use of a green and yellow color scheme in the past was neither widespread nor did it last long enough to generate significant sales in relation to Defendant's overall sales. See T. at 26-28.

The eight and final factor, whether the mark is registered weighs in favor of a finding that Crayola's mark is famous because the colors green and yellow are expressly claimed as part of the mark in Registration No. 1,924,580. See id. ¶ 9.

Viewing these factors in their totality, the Court finds that Crayola's green and yellow color scheme qualifies as the type of famous mark that the dilution statute was enacted to protect.

**B. Is Defendant Making Commercial Use of a Mark or Trade Name?**

Defendant sells its markers and related products throughout the United States. See id. ¶ 23. As of Summer 2000, Defendant's green and yellow package was sold in the same stores as Plaintiffs' Crayola products. See T. at 11.

**C. Did Defendant's Use Begin After the Plaintiffs' Mark Became Famous?**

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Defendant has just begun to use its own yellow and green packaging for its children's markers in the retail market. By contrast, Plaintiffs have employed yellow and green packaging for nearly 100 years and the yellow and green chevron has been in use for more than fifty years. See Aff. Of David E. Hall ¶¶ 3, 21.

**D. Did Defendant's Use Cause Dilution by Lessening the Capacity of the Plaintiffs' Mark to Identify and Distinguish Goods?**

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Defendant's package will likely dilute Plaintiffs' famous Crayola's mark by blurring the distinctiveness of the Crayola green and yellow color scheme. Blurring occurs when the defendant's use of its mark causes the public to no longer associate the plaintiff's famous mark with its goods and services; the public instead begins associating both the plaintiff and the defendant with the famous mark. See Times Mirror, 212 F.3d at 168. To determine whether a defendant's use blurred and therefore diluted the plaintiffs' mark, the Third Circuit in Times Mirror, looked at ten factors. See id. The factors are:

1. Similarity of the marks;
2. Similarity of the products covered by the marks;
3. Sophistication of consumers;
4. Predatory intent;
5. Renown of the senior mark;
6. Renown of the junior mark;
7. Actual confusion and likelihood of confusion;
8. Shared customers and geographic isolation;
9. The adjectival quality of the junior use; and

10. The interrelated factors of duration of the junior use, harm to the junior user and delay by the senior in bringing the action.

See *id.*

The Court limits its discussion to the factors that it finds most relevant to the Court's inquiry. See *McNeil Consumer Brands, Inc. v. U.S. Dentek Corp.*, 116 F.Supp.2d 604, 606 (E.D. Pa. Sep 22, 2000). Here, several factors weigh in Plaintiffs' favor and indicate Plaintiffs have established a reasonable probability that they will prevail on their dilution claim.

#### **1. Similarity of the Marks**

Here, Plaintiffs assert that Defendant diluted their trademarks that they claim protect the Crayola color scheme: a green chevron laid over a yellow background. Plaintiffs posit that there are eleven registered trademarks for the green and yellow design. They, however, point to only two in their Motion. One registered trademark covers a chevron. See *Aff. of David E. Hall, et al.* The register indicates that the drawing is lined for the colors green and yellow. See *id.* Plaintiffs other trademark covers another chevron design that is also lined for the colors green and yellow. See *id.* ex. R. Color was claimed in that application. See *id.* Plaintiffs also point to the "Crayola Green and Yellow" combination as protectable, but the Court fails to distinguish this mark from Plaintiffs' registered marks.

Defendant's package also features the colors green and yellow prominently. The color yellow dominates the top of portion of the package, just like on Plaintiffs' package. In addition, the color green dominates the bottom portion of the package. Also, there is striping on an angle that separates the green and yellow portions of the box in a fashion that resembles Plaintiffs' chevron configuration. Although the striping is on an angle of a lesser degree than Plaintiffs striping, Defendant's striping cuts from the upper right hand portion of the package toward the lower left hand portion of the package in a way that is similar Plaintiffs' chevron design. Also the shades of green and yellow that are predominately used by Defendant are, by Defendant's admission, the same on both packages. See Aff. of Lawrence Rosen, ¶ 7. Based on this analysis, the Court finds that Plaintiffs' mark is similar that the mark being used by Defendant in its "ColorGear" product.

## **2. Similarity of Products covered by the Marks**

Here, both Plaintiffs and Defendant employ the use of their respective marks in the sale of markers. As a result, this factor weighs in favor of Plaintiffs.

## **3. Sophistication of Consumers**

This factor examines the "level of sophistication" of the relevant purchasers of the parties products; it is to be measured by the "general impression" of ordinary purchaser, buying under the

normally prevalent conditions of the market and giving the attention such purchasers usually give in buying such goods. See *w.w.w. Pharm. Co. v. Gillette Co.*, 984 F.2d 567, 575 (2d Cir. 1993). The Court finds that the purchasers of markers would not likely devote much care to distinctions between Plaintiffs' and Defendant's products because the products are relatively inexpensive and consumers frequently bring little care or sophistication to their purchase. See *Sports Auth. Inc. v. Prime Hospitality Corp.*, 89 F.3d 955, 965 (2d Cir. 1996).

#### **4. Defendant's Intent**

This factor examines whether Defendant adopted its mark with the intent of capitalizing on Plaintiffs' reputations and goodwill. See *Lang v. Retirement Living Publ'g Co.*, 949 F.2d 576, 583 (2d Cir. 1991). Based on Plaintiffs' long history and national recognition of using a green and yellow color scheme laid over a chevron indicates to the Court that Defendant was likely aware of Plaintiffs' mark by virtue of their competition in the marketplace. Defendant admits that Plaintiffs are a major player in this market. The Court thus finds that this factor weighs in Plaintiffs' favor.

#### **5. Renown of Senior and Junior Marks**

This factor also weighs in favor of Plaintiffs because Defendant's use of the mark is new and has no renown of its own. In a November 1999 tracking study in which participants were asked

to name all the brands of crayons or markers that they could recall without being prompted or aided, an overwhelming 92% of the participants names Crayola, whereas only 9% names Rose Art. See Aff. of David E. Hall ¶ 7.

Defendant has been in business since 1923 and has sold over \$1 billion of products bearing Defendant's trade name. See Aff. of Lawrence Rosen, ¶ 4. The renown of Defendant's green and yellow packaging, however, is more dubious and Defendant does not cite any evidence of renown for the allegedly diluting package.

#### **6-7. Actual Confusion and Likelihood of Confusion**

Here, Plaintiffs cannot point to any evidence of actual or likelihood of confusion. The Court notes, however, that Title 15, U.S.C. § 1127 defines "dilution" in the following manner:

The term "dilution" means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of--

- (1) competition between the owner of the famous mark and other parties, or
- (2) likelihood of confusion, mistake, or deception.

15 U.S.C. § 1127 (emphasis added).

Here, while Plaintiffs fail to cite to evidence of actual confusion or the likelihood of confusion, such a failure is not fatal to its dilution claim. See *id.* Thus, while this factor weighs in favor of Defendant, the Court analyzes these factors in their totality.

## **8. Shared Customers and Geographic Isolation**

As noted above, both Plaintiffs and Defendant sell children's markers which the Court finds indicates a shared customer base. Further, both sell their products nationally. Thus, this factor weighs in favor of Plaintiffs.

## **9. Adjectival Quality of the Junior Use**

The ninth factor also weighs in favor of Plaintiffs. This factor requires an analysis of whether the mark carries adjectival or generic connotations in the junior user's market. While color in general is certainly adjectival in the area of children's coloring utensils, the particular combination of green and yellow is not, as evidenced by the fact that no other manufacturer of such products uses this particular combination. See Aff. ¶ 27. Although Defendant argues that other companies use the green and yellow color scheme, Plaintiffs explain that these products are no longer marketed. Further, when they were on the market, their sales were limited. See T. at 28. The Court discussed and rejected this argument above.

The Court concludes that Plaintiffs' mark will likely be diluted by Defendant's use of its packaging. Accordingly, Plaintiffs have demonstrated a reasonable probability of success on the merits.

Plaintiffs other claims consist of trademark infringement and trade dress infringement. In order to prove a trademark



infringement claim, Plaintiffs must demonstrate that Defendant's use of the mark to identify its goods or services is likely to create confusion concerning the origin of those goods or services. A likelihood of confusion exists when "consumers viewing the mark would probably assume that the product or service it represents is associated with the source of a different product or service identified by a similar mark." See *Dranoff Perlstein Assocs. v. Sklar*, 967 F.2d 852, 862 (3d Cir. 1992). To establish a trade dress claim, Plaintiffs must prove, among other things, that there was a likelihood of confusion. See *Versa Prods. Co, Inc.*, 50 F.3d 189, 200 (3d Cir. 1995).

Here, Plaintiffs fail to point to any evidence of actual confusion or the likelihood of confusion. As a result, the Court finds that there is not a reasonable probability that Plaintiffs are likely to prevail on the merits of these two claims. Thus, Plaintiffs Motion for preliminary injunction based on these claims is denied.

#### **IV. IRREPARABLE INJURY BY DENIAL OF THE RELIEF**

Defendant's dilution of Plaintiffs' Crayola mark will also cause irreparable injury to Plaintiffs. "Dilution is itself an injury which [cannot] be recompensated by money damages." See *Nabisco, Inc. v. PF Brands, Inc.*, 50 F.Supp.2d 188, 197 (S.D.N.Y. Feb 03, 1999); *Deere & Co. v. MTD Prods., Inc.*, 860 F. Supp. 113, 122 (S.D.N.Y.), *aff'd* 41 F3d 39 (2d Cir. 1994). The Third Circuit

in Times Mirror upheld an injunction in a trademark dilution case where the district court determined that "irreparable harm may be shown even in the absence of actual injury to plaintiff's business based on plaintiff's demonstration of a likelihood of success on the merits of its claim." 212 F.3d at 169. Analyzing the district court's decision, the Third Circuit stated that a lack of control over the use of one's own mark amounts to irreparable harm. See *id.*; *Opticians Ass'n v. Independent Opticians*, 920 F.2d 187, 195 (3d Cir. 1990) (stating that potential damage to mark holder's reputation or goodwill or likely confusion between parties' marks constitute irreparable injury for purpose of granting preliminary injunction).

Additionally, in Times Mirror, the Third Circuit rejected the defendant's argument that a 15-month delay, beginning when the plaintiff was on notice of the allegedly diluting product and ending when plaintiff filed suit against the defendant, necessarily shows that plaintiff's harm, if any, is not immediate and irreparable. See Times Mirror, 212 F.3d at 169. The Third Circuit rejected this argument because a 15-month delay was attributable to negotiations between the parties.

Here, the Court rejects Defendant's assertion that Plaintiffs failed to bring this action in a timely manner. Defendant asserts that Plaintiffs are not entitled to a preliminary injunction because Plaintiffs waited too long to file suit. Defendant notes

that Plaintiffs knew of Defendant's new package in April 2000. Further, Defendant points to a letter dated April 17, 2000, in which Plaintiffs acknowledge that they are aware of Defendant's packaging. Defendant contends that by May 9, 2000, it gave Plaintiffs the actual package and invited further discussion of Plaintiffs' concerns. Plaintiffs, according to Defendant, did nothing after this contact. Plaintiffs filed suit and gave Defendant notice of its motion for preliminary injunction on June 9, 2000.

Defendant's allegation of inaction are undercut by Plaintiffs' showing of deliberate and immediate action. On April 17, 2000, after learning of Defendant's new packaging, Plaintiffs sent Defendant's counsel a letter stating that the new package infringed Plaintiffs' trademark and trade dress. See Aff. of William Heller, ex. A. The letter asked for Defendant's agreement in writing that it would not distribute the infringing green and yellow package in its back to school line of products. The letter further stated that "[s]hould [Defendant] fail to do so, [Plaintiffs] will vigorously pursue all available legal remedies." The letter referenced above, dated May 9, 2000, reiterated Defendant's refusal to change its package and disputed Plaintiffs' claim that its Crayola green and yellow color scheme was protectable. See *id.*, ex. F. The time frame between that letter and the date Plaintiffs initiated this lawsuit is roughly four weeks.

The only case cited by Defendant that involves a time frame comparable to here is *Nina Ricci, S.A.R.L. v. Gemcraft Ltd.*, 612 F. Supp. 1520, 1530-31 (S.D.N.Y. July 9, 1985), which Defendant contends involved a delay of six weeks. The facts of that case, however, show that the plaintiffs had become aware of the alleged infringement several months prior to the commencement of negotiations regarding the alleged infringement. See *id.* at 1530-31. The Court determined that the plaintiffs waited six weeks to commence negotiations. See *id.* at 1530. Thereafter the parties negotiated for about two weeks before the negotiations broke down. See *id.* The plaintiffs filed a complaint against the defendant six weeks after the breakdown in negotiations. See *id.* The Court concluded that it was the plaintiffs' inexplicable delay, coupled with the plaintiffs' lack of interest in the defendant's product that was evidence of limited harm to plaintiffs and that there was a little likelihood of confusion in the marketplace.

Here, Defendant's delay of one month significantly differs from the delay in *Nina Ricci* because of the immediate actions of Plaintiffs upon learning of Defendant's new package.

Thus, the Court finds that Plaintiffs' have made a showing of irreparable injury if the Court denied the relief sought.

#### **V. HARM TO DEFENDANT AND THE PUBLIC INTEREST**

A preliminary injunction would not prevent Defendant from selling its marker products. Rather, the injunction would require

Defendant to sell its products in packaging that does not dilute Plaintiffs' Crayola mark. See e.g. *Deborah Heart*, 2000 U.S. Dist. Lexis 7062, at \*32-34 (noting minimal inconvenience of requiring defendant to adopt a new name where infringing name had been in use for only two years and therefore "has hardly had time to make its own impression."). The Court finds that the harm to Defendant would be minimal.

The public has a strong interest in honest marketing and in the continued integrity of a famous trademark. Consumers will not be harmed by being unable to purchase Defendant's markers in a green and yellow package that, based on the record in the case, is new packaging for Defendant's markers.

Based on an analysis of Plaintiffs' claim, the Court finds that a preliminary injunction is warranted.

An appropriate Order follows.

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

BINNEY & SMITH, and	:	CIVIL ACTION
BINNEY & SMITH PROPERTIES, INC.	:	
	:	
v.	:	
	:	
ROSE ART INDUSTRIES	:	NO. 00-2939

O R D E R

AND NOW, this 9<sup>th</sup> day of August, 2001, upon consideration of Plaintiffs' Renewed Motion for Preliminary Injunction (Docket No. 37), Plaintiffs' Motion for Preliminary Injunction (Docket No. 3) and Memorandum of Law in Support of Plaintiffs' Motion for a Preliminary Injunction, Defendant's Brief in Opposition (Docket No. 9) and Plaintiffs' Reply Memorandum in Support of Plaintiffs' Motion for a Preliminary Injunction (Docket No. 10), IT IS HEREBY ORDERED that Plaintiffs' Motion for Preliminary Injunction is **GRANTED**.

IT IS FURTHER ORDERED that Pursuant to Federal Rule of Civil Procedure 65, Defendant Rose Art Industries, is temporarily enjoined from continuing to sell markers in its green and yellow "ColorGear" package as identified in the Court's Memorandum (ex. C) from the date of this Order through resolution of the above captioned matter; and

The above described preliminary injunction shall not take effect until such time as Plaintiffs post security in the amount of \$1,000,000 (one million dollars), pursuant to Federal Rule of Civil Procedure 65(c) and 65.1.

BY THE COURT:

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HERBERT J. HUTTON, J.